

Annual Report of

**Matachewan Consolidated Mines,
Limited**



For the Year Ended December 31, 1977

ANNUAL MEETING MAY 1, 1978

Matachewan Consolidated Mines, Limited

DIRECTORS

PAUL H. McCLOSKEY
H.P. McCLOSKEY
A.D. HELLENS
D.W. FALCONER
R. DUNCAN McCLOSKEY

OFFICERS

President PAUL H. McCLOSKEY
Vice-President H.P. McCLOSKEY
Secretary D.W. FALCONER
Treasurer S. CZARNECKI

TRANSFER AGENT AND REGISTRAR

CROWN TRUST COMPANY, Toronto, Ontario

AUDITORS

JORDAN AND JORDAN, Toronto, Ontario

HEAD OFFICE

Room 800, 11 Adelaide St. West, Toronto, Ont. M5H 1L9

The Annual Meeting of the Shareholders of the Company will be held in the Head Office, Suite 800 — 11 Adelaide St. West, Toronto, on Monday, May 1, 1978, at the hour of 3:30 o'clock in the afternoon (Toronto Time).

Matachewan Consolidated Mines, Limited

Directors' Report

TO THE SHAREHOLDERS:

Your Directors submit the Annual Report including the Auditors' financial statement, covering the year ended December 31, 1977.

There were no significant changes in the overall position of the Company in the 1977 fiscal year.

No specific exploration or development projects were engaged in during the year.

At the time of writing this report a routine exploration project is being considered.

On behalf of the Board,

P.H. McCLOSKEY,
President.

Toronto, Ontario,
March 21, 1978.

Matachewan Consolidated Mines, Limited

(Incorporated in Ontario)

Balance Sheet — (with 1977 figures)

ASSETS

	1977	1976
CURRENT:		
Cash and bank balance.....	\$ 6,191	\$ 3,295
Term deposits	—	56,000
Sundry assets.....	—	176
	<u>6,191</u>	<u>59,471</u>
INVESTMENTS (At Cost)		
Marketable securities (market value — \$300,988		
1976 — \$148,348(.....	359,344	284,827
Deferred exploration expenses	—	2,894
MINING PROPERTIES:		
Mining claims (Note 1)	20,911	41,003
Property and equipment	1	1
	<u>\$386,447</u>	<u>\$388,196</u>

The accompanying
part of the

AUDIT

To the Shareholders of
Matachewan Consolidated Mines, Limited
Suite 800 — 11 Adelaide St. West,
Toronto, Ontario M5H 1L9

Gentlemen:

We have examined the balance sheet of Matachewan Consolidated Mines, Limited and deficit and changes in financial position for the year then ended, and accordingly included such tests and other procedures as we considered necessary.

In our opinion, these financial statements present fairly the financial position of Matachewan Consolidated Mines, Limited at the end of the year and the changes in its financial position for the year on a basis consistent with that of the preceding year.

TORONTO, January 27, 1978

dated Mines, Limited

(the laws of Ontario)

December 31, 1977

(comparisons)

LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>1977</u>	<u>1976</u>
CURRENT:		
Accrued liabilities	\$ 500	\$ 800
Loan payable	20,000	—
	<u>20,500</u>	<u>800</u>
SHAREHOLDERS' EQUITY:		
Capital		
Authorized		
7,000,000 common shares — No par value		
Issued		
5,923,250 shares	1,179,433	1,179,433
Deficit	(813,486)	(792,037)
	<u>365,947</u>	<u>387,396</u>
	<u>\$386,447</u>	<u>\$388,196</u>
On behalf of the Board:		
..... <i>P.H. McCLOSKEY</i>	Director	
..... <i>D.W. FALCONER</i>	Director	

notes from an integral
financial statements.

IS' REPORT

dated Mines Limited as at December 31, 1977 and the statements of income
our examination was made in accordance with generally accepted auditing
we considered necessary in the circumstances.

financial position of the Company as at December 31, 1977 and the results of
in accordance with generally accepted accounting principles applied on a

Respectfully submitted,

JORDAN AND JORDAN
Chartered Accountants

Matachewan Consolidated Mines, Limited

Statement of Loss and Deficit

FOR THE YEAR ENDED DECEMBER 31, 1977

(with 1976 comparisons)

	<u>1977</u>	<u>1976</u>
INCOME:		
Interest income	\$ 3,550	\$ 6,463
Dividends received	<u>7,249</u>	<u>6,512</u>
	<u>10,799</u>	<u>12,975</u>
EXPENSES:		
Office and corporate	5,526	8,448
Licences and taxes	3,201	3,078
Deferred development and exploration costs and mining claims written off	22,986	—
Professional fees	<u>535</u>	<u>2,711</u>
	<u>32,248</u>	<u>14,237</u>
LOSS BEFORE EXTRAORDINARY ITEM	21,449	1,262
Extraordinary item — Gain on sale of investment	<u>—</u>	<u>472</u>
NET LOSS FOR THE YEAR	21,449	790
Deficit, beginning of year	<u>792,037</u>	<u>791,247</u>
DEFICIT, END OF YEAR	<u>\$813,486</u>	<u>\$792,037</u>

The accompanying notes form an integral
part of these financial statements.

Matachewan Consolidated Mines, Limited

Statement of Changes in Financial Position

FOR THE YEAR ENDED DECEMBER 31, 1977

(with 1976 comparisons)

	<u>1977</u>	<u>1976</u>
WORKING CAPITAL WAS PROVIDED FROM:		
Operations —		
Deferred development and exploration costs		
and mining claims written off.	\$ 22,986	\$
proceeds from sale of investments.	—	472
TOTAL WORKING CAPITAL PROVIDED:.....	<u>22,986</u>	<u>472</u>
WORKING CAPITAL WAS APPLIED TO:		
Net loss.	21,449	1,262
Purchase of investments.	74,517	90,429
Deferred exploration expenses.	—	2,894
TOTAL WORKING CAPITAL APPLIED:.....	<u>95,966</u>	<u>94,585</u>
DECREASE IN WORKING CAPITAL:.....	<u>72,980</u>	<u>94,113</u>
Working capital, beginning of year.	<u>58,671</u>	<u>152,784</u>
WORKING CAPITAL (DEFICIENCY), end of year.	<u><u>\$ (14,309)</u></u>	<u><u>\$ 58,671</u></u>
Represented by:		
Current assets.	\$ 6,191	\$ 59,471
Less: Current liabilities.	20,500	800
	<u><u>\$ (14,309)</u></u>	<u><u>\$ 58,671</u></u>

Matachewan Consolidated Mines, Limited

Notes to Financial Statements

DECEMBER 31, 1977

1. ACCOUNTING POLICY

Mining Claims —

Mining claims are recorded at cost and are written off at such time as the related properties are abandoned.

2. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration paid by the company to the directors and senior officers (as defined by the Business Corporations Act, Ontario, to include the five highest paid employees of the company) for the year ended December 31, 1977 was nil. (1976 — \$2,853).

3. RECLASSIFICATION OF 1976 COMPARISONS

Certain 1976 balances have been reclassified to conform with 1977 presentation.